

Chairman Tierney has noted in his letter the passing in 2000 of our Chairman, Liz Laing and a valued staff member, Pat Lowery. On a personal and professional level, both of these individuals exemplified the highest standards of friendship, caring and service. They have been and will continue to be missed, but their example has inspired us all.



Joseph E. Connarton
Executive Director

Annual Reports

PERAC has now issued four annual reports detailing the activities of the Massachusetts public pension systems. As the content of that report has evolved, we have tried to include information that enables the reader to gauge the financial and administrative status of each system. We believe that the data outlined in the Board Profile section is comprehensive, relevant and objective. The material also provides a method of assessing the Commission's success in educating Board Members and administrators and in assisting them in performing the many tasks assigned by Chapter 32.

Earnings Statements

Chapter 306 transferred responsibility for the post retirement monitoring of disability retirees from the retirement boards to PERAC. One of the Commission's first priorities was establishing an equitable process for the implementation of the earnings statement review, reexamination and return to work provisions of the law. In the four years that we have assumed this role, the Commission has achieved significant results in terms of savings for the retirement systems but also in assuring retirees that they will be treated fairly and sensitively. The chart below details these accomplishments.

PERAC POST RETIREMENT SAVINGS

	2000	From Inception
Waived Allowance	\$350,393.70	\$868,584.75
Excess Earnings	\$1,066,909.00	\$4,871,219.20
Suspensions	\$368,730.72	\$565,619.52
Return to Work	\$601,072.03	\$1,434,817.50
Total	\$2,387,105.40	\$7,740,240.90

The \$2.3 million saved in the 2000 reporting period brings us to a total of \$7.7 million since the Commission was established. Over a 10 - 15 year period this will result in \$25 - \$35 million in savings.

Outreach

As always, outreach to the retirement boards played an important role in the 2000 Commission agenda. In particular, both the actuary and the investment director met with boards to discuss funding and investment issues. Actuarial valuations, funding schedules and related matters were discussed with 20 boards and investment allocation